AIR FORCE LABORATORY

Personnel Demonstration Project

A Supervisor's Guide to CCS Assessment and Compensation Adjustment

Contents

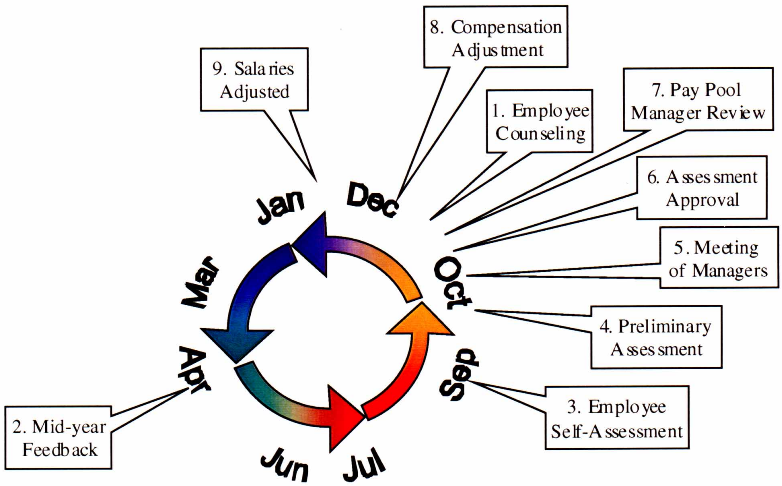
Introduction 2
The CCS Cycle 2
Contribution vs. Performance 3
Pay Pools 5
The CCS Process Step-By-Step 7
Employee Feedback / Counseling Session 7
Mid-Year Feedback 8
Employee Self Assessment 8
Preliminary Assessment 9
First-Level Meeting of Managers 11
First-Level Score Approval 14
Second-Level Meeting of Managers 15
Second-Level Score Approval 15
Direct Decimal Score Setting 16
Compensation Adjustment and Broadband Movement 16
Setting 'G' 17
Setting 'I' 17
Establishing Payouts 17
Broadband Movement 19
Scenarios and Compensation Adjustment Approval 22
Final AFMC Form 280 Printing and Distribution 23
Salary Adjustments 23
CCS Process Time Line 25
Other Resources 26

Introduction

This handbook is intended to familiarize supervisors new to the Air Force Laboratory Personnel Demonstration with the Contribution-based Compensation System (CCS). It is also useful as a ready reference for all supervisors of Demonstration employees. CCS is a new process under which Demonstration employees are evaluated and compensated based on their contribution to the laboratory mission. CCS is arguably the cornerstone of the Demonstration project, being the central intervention from the Title-V civil-service system around which most of the other initiatives revolve. Simplified classification processes facilitate assignment of employees to the Demonstration project. Similarly, the Federal Employees Pay Comparability Act, Developmental Opportunities Program and Voluntary Emeritus Corps interventions address employee acquisition and retention issues. These and other interventions supplement the CCS process and taken together, form a cohesive system for improving the quality of laboratory personnel management.

The CCS Cycle

Each CCS assessment cycle is aligned with the government's fiscal year. Employees receive contribution assessments for work performed from October 1st through September 30th of the following year. However, the CCS process defines events that occur over the course of 15 months, beginning in mid-November with employee counseling and running through early January of the following cycle when salary adjustments are made. The following figure illustrates the timing of key events in the CCS process.



The CCS Process

Contribution vs. Performance

With the advent of the Laboratory Personnel Demonstration and CCS, an entirely new paradigm for rating employees has been adopted. Most supervisors are comfortable with accomplishing performance appraisals that rate an employee's ability to perform the job functions specified in a position description. This is the old Title-V way of doing business. Under CCS, supervisors must learn to rate an employee's contribution to the mission. But how is that done?

In order to understand contribution, supervisors must first recognize why the old Position Descriptions (PD) have been replaced with Statements of Duties and Experience (SDE). More than just a position classification document, the SDE provides identical rating criteria for all employees in the same job category within each broadband. This differs from the old PD and AF Form 860 Performance Elements where each individual position had its own unique set of criteria for rating the employee. Unless there is common ground among employees for giving ratings, it is impossible to fairly compare one employee's contributions with another's.

Having established common ground for rating employees, we can turn to the concept of contribution itself. What exactly is it and how does it differ from performance?

A nonsupervisory employee in the Personnel Demonstration had this way of describing the distinction between performance and contribution:

> "Performance is what we do on a daily basis. Contribution is the result of what we do on our directorate's ability to meet its objectives."

Former AF Chief Scientist, Dr. Abrahamson, describes performance like this:

> "Performance is how well employees have done assigned tasks."

In distinguishing this from contribution, he points out that performance is akin to the "how" a task is approached whereas contribution is the "what" that gets accomplished.

From either perspective then, contribution goes beyond the simple measurement of performance to include the effect the employee's effort has on the organization as a whole. Put another way, it is a measure of the value of the employee's accomplishments to the organization.

Critical to the success of fair contribution assessment is a solid understanding of what it is the organization is supposed to do and for whom. It is more critical than ever for management to clearly articulate the mission objectives of their organization to all levels and that all employees clearly understand those objectives in terms of their own role. To reinforce this idea, employees should be encouraged to construct their contribution input on AFMC Form 280 Part III in terms of, "I did X and the result was Y" instead of simply supplying a laundry list of activities.

One final note about the definition of contribution. Supervisors should remember that under CCS they are rating an employee's annual contribution, not career contribution or growth potential. Like performance appraisals, the cycle is annual. Unlike performance appraisals though, contributions may vary more from year to year for a given employee due to changes in circumstances. Supervisors should ensure that opportunities to contribute are offered wherever possible. Likewise, employees are encouraged to seek out new opportunities for contributing to their organization's mission. Even so, minor fluctuations in employee contribution from year to year are normal and should be expected.

Pay Pools

Unlike the Title-V system, where appropriations for base pay, general increases and within-grade (step) increases are not connected to individual organizational elements, the Laboratory Personnel Demonstration project purposely associates these salary funds with groups of employees who are then given salary increases from them. The grouping of employees should follow along organizational lines so that all participants can have their contributions measured against well-defined, common mission goals. Under Lab Demo, these groups are called pay pools. Within AFRL, pay pools have been defined at the directorate level. Thus demo employees in each technical directorate will receive pay increases based on contributions to their specific mission requirements. For these groups the directorate chief acts as pay pool manager. Individuals working at site offices (i.e., Wright Site, Kirtland Site) are considered to "belong" to the technical directorate pay pool from which their manpower authorization comes. Headquarters staff personnel (XP, HR, DS, etc.) are grouped together into a pay pool of their own with the AFRL executive director acting as pay pool manager.

Funds for pay pools are derived from percentages of the sum of all salaries represented in a pay pool. There are two "pots" calculated: one for the General Increase (G) and the other for Incentive increases (I). Congress annually sets the percentage for 'G'. The AFRL Corporate Board sets the percentage for 'I' each year. A snapshot of the membership in each pay pool is taken on the 30th of September each year. A dollar amount for each "pot" is calculated using the combined salaries of all members of the pay pool on that date multiplied by the 'I' and 'G' percentages respectively. (The 'I' pot is then adjusted by subtracting incentive increase funds not eligible to be received). A Contribution-based Compensation System Software (C^2S^2) program then uses those dollar amounts to aid the pay pool manager in the distribution of these salary increase funds.

Actual salary adjustments come from uploads generated by the software that are fed to the Defense Civilian Personnel Data System (DCPDS) in January of each year. It is important to note that the 'G' and 'I' pots calculated for use with CCS are notional constructs to aid in the CCS process; actual salary funds still come from congressional appropriations for Major Force Programs as they always did.

The CCS Process Step-By-Step

The following sections are designed to take the supervisor through the CCS process chronologically, detailing each major event that should occur. The CCS period of assessment runs from 1 October through 30 September. All Personnel Demonstration employees are assessed for their contribution during this period. The CCS events for a given cycle run from mid-November through early January of the year following the end of the cycle. The following sections discuss each of these events in chronological order. In most cases, activities surrounding one event must be complete before the next step begins. Exceptions to this are noted where applicable.

Employee Feedback / Counseling Session

A contribution feedback session between the immediate supervisor and the employee marks the first formal event that takes place in the CCS cycle. During this session, the first level supervisor reviews the newly scored CCS assessment from the last period of contribution with the employee. This session, in addition to reviewing contributions made

during the prior year, should include a discussion of expectations for the upcoming year. Specific job, career, and developmental opportunities pertinent to the employee's situation should also be discussed. If an employee has scored in the Automatic Attention Zone (AAZ), they should also be presented with a Contribution Improvement Plan (CIP) as a part of their counseling. A Memo for the Record (MFR) can be used in place of a CIP if extenuating circumstances (as outlined in the Operating Guide) warrant it.

It is recommended that this feedback actually occur in two sessions. The first should occur immediately after the pay pool manager approves assessments, and should focus on the employee's contribution assessment score, developmental opportunities and so forth. The second session should take place after compensation adjustments are approved, and should deal more specifically with the employee's salary adjustment. If the President and Congress approve the General Increase (G) in a timely manner, the two feedback sessions can be combined.

Mid-Year Feedback

By the end of April, the first level supervisor should again review contribution with the employee. This session should focus on contributions made during the first half of the CCS cycle along with expectations for the second half. As such, the intent of this mid-year feedback session is to provide course correction or confirmation that the employee is on target, as appropriate. Professional qualities should also be discussed as a part of this feedback. AFMC Form 279, available for download from the world-wide web at:

http://afmc.wpafb.af.mil/pdl/afmcforms/afmc/mc027900.frz

This form should be used to document the session. The supervisor should maintain the AFMC Form 279 in the employee's SF-971 folder.

Employee Self Assessment

Throughout the year, employees should keep a record of their contributions, organized by CCS factor. It is important for supervisors to stress to their employees that contribution is measured broadly and that any given activity may represent contribution in more than one factor. Employees should examine their accomplishments and record them in as many factors as are applicable. Specifically, the six CCS factors are Technical Problem Solving, Communications & Reporting, Corporate Resource Management, Technology Transition/Transfer, R&D Business Development, and Teamwork and Leadership.

When first-level supervisors request contribution inputs in mid-September, employees should consolidate their records onto an AFMC Form 280 Part III. The input can be in narrative or bullet form. An editable (rich text format) facsimile of this form suitable for emailing as an attachment can be downloaded from the AF Lab Demo web site.

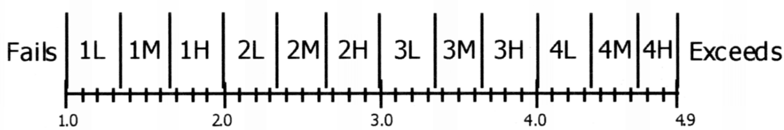
Preliminary Assessment

Early in October, the first-level supervisor should review the inputs made by his or her employees and perform any necessary edits so that the comments reflect the supervisor's own understanding of the employee's contribution. The edited remarks will be input into C^2S^2 to justify the preliminary category score assigned for each of the six factors.

As supervisors edit their employees' comments, they should keep in mind not only what activity the employee engaged in, but also what the outcome of that activity does to meet the mission requirements of the organization. Generally, using cause–effect statements like, "The employee did 'A' resulting in 'B'" will assure that the contribution, not just a list of activities, is clearly documented. As supervisors review their employees' comments, they should also consider all potential areas where a particular contribution may apply. It is entirely possible that an employee will provide input for one factor and fail to consider its applicability for another. Finally, as supervisors consider their employees' comments, they should keep in mind the mission at all levels of the organization: branch, division, directorate, and laboratory. Some contributions will clearly address local mission needs whereas others may address more broadly scoped mission requirements at higher levels within the organization. All of these should be considered bona-fide contributions by the employee. A separate guideline for writing contribution assessments is available for further help in this area. Refer to "Other Resources" at the end of this handbook for more information on this guide.

Armed with their edited comments, first-level supervisors should perform preliminary assessments on each employee using C^2S^2. These assessments should be completed within the first few weeks of October in preparation for the first level meeting of managers. As mentioned earlier, preliminary assessment is done factor by factor. Depending upon the supervisor's preference, he or she may choose to rate all employees in one factor, then the next, and so on, or rate each individual in all six factors before moving on to the next employee. C^{2}S^2 will support either of these approaches. Regardless of the chosen method, supervisors should try to avoid rating their people against one another in this step. Preliminary assessment ratings should be based solely upon the merits of each employee's contribution to the mission as outlined in the factor descriptors.

For each factor, the software provides descriptors defining the minimum contribution requirements at each broadband level. Descriptors are broken down into key elements to assist the supervisor in determining the correct level of contribution. The descriptors and key elements presented by the software are the same ones published in the Federal Register governing the Demonstration. The normal range of values for a preliminary assessment score spans from a low Broadband Level-I (1L) to a high Broadband Level-IV (4H) for each factor. On either side of this range are two additional possibilities: "Fails" and "Exceeds." Employees who do not meet the minimum contribution requirements for Broadband Level-I should receive a "Fails" score for the factor. Likewise, employees whose contribution clearly goes beyond all criteria for Broadband Level-IV should receive a factor score of "Exceeds."



In order to qualify for a factor score within a particular broadband level, the employee must at least meet the minimum requirements of the descriptor for that level. Within each level, the supervisor should refine the score into one of three categories: low (L), medium (M), or high (H). Although making these determinations is some what subjective, one approach might be to note how well the employee contributes against each key element and mentally aggregate them into an overall rating for the factor. One note of caution however: categorical factor scores should be based on the factor as a whole; the key elements in the descriptors do not stand alone. Thus, an employee meeting all the standards for contribution in Technical Problem Solving for Broadband Level-II, but not meeting all the standards for Broadband Level-III should receive a preliminary score of 2L, 2M, or 2H for that factor. If this employee's contribution is closer to a Level-III in the majority of key elements, a score of 2H may be indicated. Similarly, if on balance the level of contribution more closely matches the descriptor for Level-II, a score of 2L may be more appropriate.

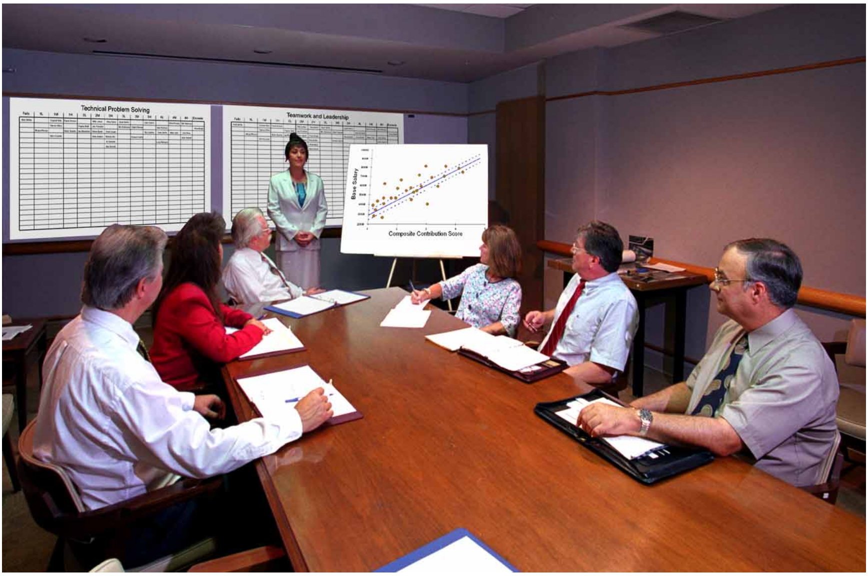
Once the supervisor has completed preliminary assessments for all of his or her employees, preliminary AFMC Form 280, Part IIs can be printed. These forms will show the category score given for each factor along with the factor weight (based on the employee's job category) and the textual justification for each score. The forms should be kept together in a folder and brought to the first-level meeting of managers as a reminder and a reference of the supervisor's thinking when the preliminary assessments were made. There they will be used in discussions to normalize the scores as larger portions of the pay pool are considered.

First-Level Meeting of Managers

Toward the end of October, the second-level manager should convene the first-level meeting of managers. The second-level manager (most often the division chief) chairs this meeting, with his or her first-level supervisors (branch chiefs) in attendance. The purpose of this meeting is twofold: first, to rank employees by factor within a contribution matrix, and second, to refine those ranked categorical scores into numeric ratings and review the resulting 1-to-N list of composite CCS scores.

In most instances, the first-level meeting of mangers will require more than one session. This is particularly true the first few times that managers go through the process. Once some experience has been gained the meeting of managers should go more smoothly and require less time and effort.

Initially a contribution matrix will be used to rank employees in coarse categories for each of the six contribution factors. The matrices contain columns for each of the fourteen categorical scores (Fails, 1L through 4H, Exceeds). Employees being rated within the group should first be placed in these columns according to the preliminary category score given them by the first-level supervisors. Initial vertical placement is not important. C^2S^2 provides a sliding contribution matrix display for each factor with employees pre-placed in columns based on their preliminary scores.



Manual approach to the meeting of managers

Some managers may prefer to use whiteboards, poster-boards, or other manual systems in order to visualize the entire matrix at once and then transfer the results to the software. Also, some managers may prefer the manual approach so that employees can be placed one at a time, rather than seeing all employees in their initial positions at once. Either approach is fine.

Beginning with the matrix for one of the six factors, the objective is to adjust employees horizontally across the columns one at a time to correct any scoring inconsistencies across first-level supervisors. Regardless of the approach taken, well-known employees should be used as benchmarks and then other employees can more easily be placed relative to them. Supervisors should refer to their AFMC Form 280, Part IIs during the discussion on each employee. Employees whose placement is difficult for the group to reach consensus on can be set aside and dealt with later so as not to bog the meeting down. C^2S^2 provides a special “outlier box” for this purpose. In the event that supervisors cannot come to an agreement with respect to some employee, the chairman should arbitrate, taking into account all arguments.

Horizontal placement of employees should be repeated for each of the five remaining contribution factors. Thus, managers will be dealing with six unique matrices throughout the process. Once all six have been completed (and entered into C^2S^2) a reference report can be generated summarizing the work completed thus far. This report should be helpful in contemplating the accuracy of employee placements. In fact, the chairman may wish to adjourn the meeting at this point so managers will have some time to think about the rankings they've accomplished so far. Any necessary last-minute category adjustments can be made when the meeting reconvenes, before proceeding further.

The next step is to refine the horizontal placements made thus far by ranking employees vertically within each column. Employees who are the best contributors within the category should be placed toward the top, with those whose contribution is not quite as significant placed further down. This vertical ranking should be repeated for each column in each of the six factors. When the process is complete, the placement of employees within the contribution factor matrix should reflect the managers' agreed-to judgment of contribution both horizontally and vertically for all their nonsupervisory employees. As an exception, employees in unique positions (e.g., details to other organizations outside the lab) who do not fit the descriptors may be held until after numeric scores are assigned and then placed in an appropriate position relative to other scored employees.

With employees correctly ranked both horizontally and vertically within each factor's contribution matrix, supervisors can begin the process of assigning decimal factor scores. Decimal scoring refines categorical factor scores into specific ranges within the broadband level of the category score. Thus, a category score of 1L can be refined to one of: 1.0, 1.1, 1.2, or 1.3. A category score of 1M equates to a decimal score of 1.4, 1.5, or 1.6; and a category score of 1H can be assigned one of 1.7, 1.8, or 1.9. Likewise, a category score of 2L can be refined to 2.0, 2.1, 2.2 or 2.3 and so on.

Please note that it is possible for several employees to be assigned the same numeric factor score. It's reasonable to have clusters of employees with a common factor score, particularly if the group under assessment is large.

When numeric factor scores have been assigned to all employees, overall scores can be calculated. If not already done, decimal scores should be entered into C^2S^2 by factor for each employee. The software can then compute Overall Contribution Scores, (OCS) taking into account the factor weights for the employee's job category.

The formula for determining the OCS is:

$$\frac{\sum_{n=1}^{6}(f_n w_n)}{\sum_{n=1}^{6} w_n}$$

where f_n are the factor scores and w_n are the weights.

With composite scores computed for all employees, a 1-to-N rank ordered list should be generated from the software and reviewed. Any peculiarities can be investigated to ensure a data entry or some other type of mistake hasn't been made. If a mistake is found, the score(s) must be adjusted back at the factor level. The OCS cannot be changed directly. Care should be taken to insure that assessments from branch to branch reflect common measures of contribution. C^2S^2 provides some summary statistics by four-letter organization to help determine if any scoring inconsistencies remain. If they do, the managers should work to correct them. Again, adjustments will need to be made at the factor level. Once agreement is reached on the OCS, the meeting of managers can be adjourned.

First-Level Score Approval

First-level score approval deals specifically with CCS scores for nonsupervisory employees. This is the same group of scores that was worked on in the first level meeting of managers. With all assessment scores properly set, the division chief must approve the assessments within C^2S^2. This step enables the pay pool manager to have access to the division's nonsupervisory assessment score data.

By early November, the pay pool manager should review assessment scores across divisions. Like the lower level score approval process, C^2S^2 provides some summary statistics to aid in this process. Unjustifiable discrepancies at the division level must be corrected before compensation adjustments can be made. If directed to do so by the pay pool manager, the division chief must adjust assessment scores within his or her division to bring them in line with the assessments completed by the other divisions within the pay pool. To do this, the division chief will have to unapprove his scores, make the necessary adjustments with the help of the branch chiefs, and then reapprove the scores. This might require reconvening the first-level meeting of managers.

Second-Level Meeting of Managers

By mid-November, pay pool managers should chair a meeting of managers with their division chiefs. This meeting follows the same process as the first-level meeting of managers but operates at the next higher level of management. The pay pool manager and division chiefs meet to consider the CCS assessment scores for their first-level supervisors (branch chiefs) and others (division-level chief scientists, etc.) who report directly to division chiefs. Once again, a matrix is used for each of the six contribution factors. Adjustments should be made to move individuals in this group horizontally into the correct preliminary score category, then vertically within each category in relative order of contribution. Once the matrices have been completed, decimal scores can be applied.

At this point there is a difference in how C^2S^2 operates. Since the nonsupervisory employees (in the branches) have already been assessed and had their scores approved, the software provides the ability for the managers in this meeting to view their scores as benchmarks for rating the first-level supervisors. For example, a supervisor's contribution in technical problem solving can be directly compared to nonsupervisory employees with similar achievements. The same holds true for the other five factors. This comparison takes place only during decimal score setting, after horizontal and vertical adjustments have been made.

Second-Level Score Approval

Once the second-level meeting of managers has been completed the pay pool manager should approve the assessment scores for all the first-level supervisors. This step makes the assessment records of the branch chiefs available for compensation adjustment. The pay pool manager may elect to approve the first-level supervisor scores immediately after the second-level meeting of managers or wait until after decimal scores have been assigned to S&Es directly under his or her supervision and make approvals for both groups at the same time. The order in which this step and the next are completed does not matter. However, scores at all levels within the pay pool must be approved before compensation adjustment can begin.

Direct Decimal Score Setting

There is no third level meeting of mangers in the CCS process, so division chiefs and other Demonstration employees who work directly for the pay pool manager will have their assessment scores set directly by him or her. By the time the pay pool manager is ready to consider CCS scores for these employees, all other scores should have been made and leveled. Since the pay pool manager has been involved in the score leveling process all along, it is expected that he or she will be able to appropriately rate individuals in this group in a manner consistent with the other scores in the pay pool.

Once again, scores are set factor by factor. The main difference is that preliminary (i.e., categorical) assessment scores are dispensed with; the pay pool manager directly assigns decimal factor scores for this group. Once all their factor scores have been set, C^2S^2 will compute weighted overall scores and allow the pay pool manager to review summary statistics so the group as a whole can be reviewed and compared to the rest of the pay pool. When the pay pool manager is satisfied with the assessments, he or she should mark the scores approved in the software so the records will be available for the compensation adjustment process.

Compensation Adjustment and Broadband Movement

With the employee contribution assessments completed and approved for the entire pay pool, the pay pool manager can begin to consider appropriate compensation adjustments and changes in broadband level for all of his or her Demonstration employees. Compensation adjustment and broadband movement should begin in late November or early December and be completed by the middle of December. Once again, C^2S^2 will lead the pay pool manager through each of the steps necessary to complete this part of the CCS process.

Setting 'G'

Setting the default general increase 'G' that Automatic Attention Zone (AAZ) employees will receive should be addressed first. The recommended default is that AAZ employees receive no 'G'. If extenuating circumstances warrant it, the pay pool manager should consider giving some 'G' funds to specific individuals. Such decisions should be handled on a case-by-case basis.

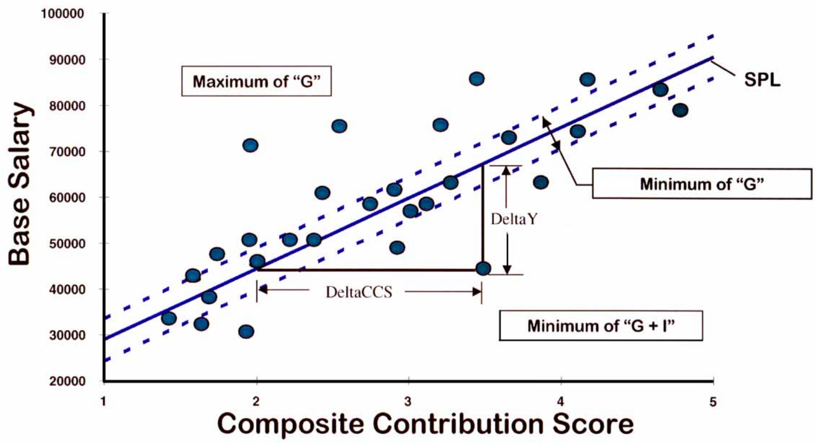
C^2S^2 follows this recommended process exactly: initially all 'G' funds are withheld from all AAZ employees. A list of these employees is generated which the pay pool manager can then use to selectively award specific 'G' amounts (entered either as a percentage or dollar amount). Any unused 'G' funds withheld from AAZ employees are automatically added to the 'I' pot.

Setting 'I'

Once the 'G' AAZ issues have been dealt with, the next decision the pay pool manager must make is to determine how much of the incentive 'I' funds to set aside for discretionary payouts. Within C^2S^2 the discretionary set-aside is entered as a percentage of the 'I' pot. The pay pool manager may decide to set aside nothing and allow the default C^2S^2 payout algorithm to apply the entire 'I' pot. Alternatively, he or she may decide to set aside a small portion to make only a few specific discretionary payouts, or withhold the entire amount and manually compute payouts for everyone in the pay pool.

Establishing Payouts

With the 'G' default and 'I' set-asides completed, the pay pool manager can begin to determine individual compensation adjustments for the members of the pay pool. Statutory Laboratory Personnel Demonstration rules apply for setting compensation: Individuals with CCS assessment scores placing above the upper rail can receive a maximum of 'G'. Those placing on or between the upper and lower rails must receive a minimum of 'G'. Employees scoring below the lower rail must receive a minimum of 'G' + 'I'. Outside these parameters, the pay pool manager has complete discretion with respect to establishing individual payouts.



Relationship between SPL and employee contribution plots

C^2S^2 provides a built-in algorithm for automatically determining compensation adjustments that adheres to the statutory payout rules. Within the scope of these rules, this algorithm, called Alpha-Delta-Y ($\alpha\Delta Y$), computes prorated payouts for each individual in the pay pool in proportion to their ΔY. The α factor is a proportionality constant that evenly applies the dollars in the 'I' pot (less discretionary set-asides) to the members in the pay pool who were assessed below the Standard Pay Line (SPL). Thus, if α were 0.4, that means there are enough funds in the pay pool's 'I' pot to buy back contributors who fall below the SPL 40% of the way back to that line. ΔY is the vertical distance from the employee's point on the compensation graph back to the SPL. Since the $\alpha\Delta Y$ product may not equate to a full 'I' for employees below the lower rail, a supplemental 'I' column is included to make up the difference where necessary. A more detailed description of the $\alpha\Delta Y$ algorithm can be downloaded from the Lab Demo web site.

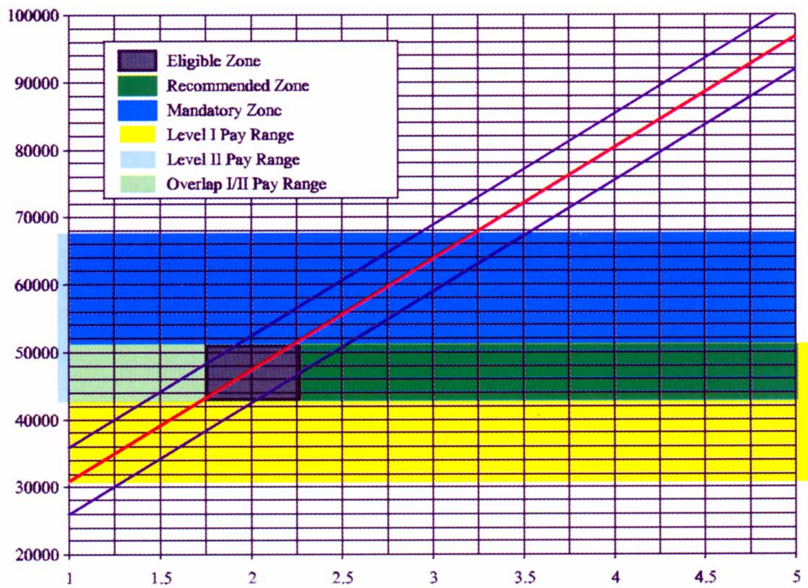
While the pay pool manager is not bound to use $\alpha\Delta Y$, it is strongly recommended. Manual compensation setting for specific individuals is still possible with $\alpha\Delta Y$ by using discretionary 'I' funds. Using C^2S^2, the pay pool manager will be presented with a 1-to-N table of all employees in the pay pool, sorted by ΔY. There really should be no surprises in the rankings within this list; the most undercompensated contributors should be near the top and those most overcompensated nearer the bottom. Across the rows in the table, C^2S^2 identifies each employee, their previous base salary, new CCS score, ΔY, 'G' payout, 'I' payout from the $\alpha\Delta Y$ computation, supplemental 'I' (for those below the lower rail), discretionary 'I', band-IV bonus, and new base salary, among other things. The discretionary 'I' column initially contains all $0; it is here that the pay pool manager can set individual discretionary incentive payouts. The band-IV bonus column is used where Title-V salary caps would otherwise limit employees from receiving the entire CCS compensation adjustment. This affects only employees near the top of Broadband IV. Amounts here are paid out as a one-time special bonus and are not a part of the base salary and do not count towards retirement. New base salary is the total of the current base salary, 'G', and 'I' columns. Locality adjustments are not included at all in the CCS compensation adjustment process; they are handled in DCPDS after the fact.

Broadband Movement

In addition to making decisions about compensation adjustments for their employees, pay pool managers need to carefully consider advancements (and retreats) between broadbands. Under the Air Force Laboratory Personnel Demonstration movement between broadbands has been designed to be seamless. While this seamless movement is accomplished without competitive promotion, it does not happen without due consideration in each individual case. This consideration is particularly important for advancements between Broadband II and III where externally imposed high-grade restrictions come into play. In fact, this situation has prompted the AFRL Corporate Board to change the nomenclature of broadband movement from Level-II to III to more accurately reflect reality. Specifically, the word "mandatory" has been replaced with "highly recommended" for movement from Broadband II to III for cases where individual's current level of compensation places them in a movement zone that would otherwise be automatic. Fortunately, this situation affects only a few individuals in the pay pool each year, and for those, a special CCS bonus, similar to the band-IV bonus, applies so that their total compensation remains unaffected by the high-grade ceiling.

Outside of this special case, there are effectively six distinct types of broadband movement zones that employees can fall into. These are the

Eligible Higher zones, the Eligible Lower zones, the Recommended Higher zones, the Recommended Lower zones, the Mandatory Higher zones and the Mandatory Lower zones.



Example of Broadband Change Zones: Movement from Level I to II

On the CCS graph, both Eligible zones are bound horizontally by a range of ± 0.25 CCS units on either side of each integer broadband mark and vertically across the ranges of salary overlap between broadbands. The portion of this area to the left of the SPL is Eligible Lower and the portion to the right is Eligible Higher. It is not advisable to move employees falling in an Eligible zone to a new broadband level unless there are specific overriding reasons to the contrary. This zone adds a buffer to broadband movement so employees near a broadband limit do not oscillate back and forth between broadbands due to minor fluctuations in their contribution scores from year to year.

The Recommended Higher zones abut the right edge of their respective Eligible zones and proceed rightward to the end of the CCS graph. Vertically, they are bound by the maximum salary for the overlapping broadband. Employees falling into a Recommended Higher zone should be moved to the next higher broadband unless there is a compelling reason not to.

The Recommended Lower zones adjoin the left edge of their respective Eligible zones and extend leftward to the edge of the CCS graph. These zones are bound vertically by the minimum salary for the overlapping broadband. Once again, employees falling into this zone should be moved to the next lower broadband unless there is sufficient justification to the contrary.

Mandatory Higher zones horizontally span the entire length of the CCS graph and are vertically defined by the maximum salary for the overlapping broadband on the bottom and are unbounded on the top. In keeping with the concept of seamless broadband movement, these zones are designed to appropriately place individuals in the broadband zone matching their salary. Over time, employees may progress into these advancement zones and be automatically approved for broadband advancement. As mentioned before, the only exception to this automatic broadband movement is the boundary between Broadband II and III where high-grade ceilings are a factor. In this specific case, the pay pool manager sees employees placed in this zone as "Highly Recommended" for advancement. If there are fewer high-grade authorizations available than employees in this zone, he or she must decide who receives the advancement and who does not. Those not chosen for advancement will receive the CCS bonus.

Mandatory Lower zones also span the entire length of the CCS graph in the horizontal direction. In these zones, the bottom of the overlapping salary range defines the upper boundary. In a fashion symmetrically similar to the Mandatory Higher zones, these zones have no lower bound. Again, the purpose of these zones is to match the appropriate broadband to an individual's salary. Employees who accept a voluntary reduction in pay that places them below the salary limits of their current broadband may find themselves in this situation.

With the exception of Mandatory Lower and Mandatory Higher broadband movement, the pay pool manager must make a decision regarding the advancement or retreat of every employee falling into a broadband change zone. In some cases there may be mitigating circumstances that could affect his or her decision to follow the default guidelines for broadband movement. If so, it is incumbent on the division chief(s) of such employees to make their case to the pay pool manager so that a fair and informed decision can be made.

In all cases requiring a decision by the pay pool manager, C^2S^2 provides a table to either approve or disapprove broadband movement. This mechanism works on an employee-by-employee basis and is affected by both the horizontal displacement of an employee due to their CCS score (ΔX) and by changes in their salary level due to compensation adjustment (ΔY). The software essentially follows the broadband change recommendations discussed above. Employees placed in the Eligible zones are disapproved for change by default. Employees in any of the Recommended zones are approved for change by default. Employees in the Highly Recommended zone must be explicitly approved for change from Broadband II to III. Employees in the Mandatory zones are automatically approved for change.

Scenarios and Compensation Adjustment Approval

To aid the pay pool manager in his or her deliberations regarding compensation adjustments and broadband movement, C^2S^2 provides the ability to play "what if" with multiple payout scenarios. With this capability, the pay pool manager can investigate the impact of different levels of discretionary 'I' set-asides on α. Since α controls the level of payouts to everyone below the SPL, this ability provides valuable insight into what level of discretionary 'I' set-asides may be appropriate. Further, the ability to save multiple compensation adjustment scenarios allows the pay pool manger to visualize the effects of apportioning discretionary 'I' amounts to specific individuals before making any final commitments. Finally, and perhaps most important, changes in compensation adjustment will affect some individuals' standing in the broadband change zones. Being able to play "what if" with scenarios will also give the pay pool manager insight into these cases. In addition to being able to save multiple versions of the compensation adjustment table prior to final approval, C^2S^2 allows the table to be exported to a Microsoft Excel, spreadsheet file for further analysis. This capability exists for analysis only; there is no provision for importing a modified compensation adjustment table back into C^2S^2 from Excel.

Once the pay pool manager has settled on an acceptable payout and broadband change scenario, he or she should approve that scenario for his pay pool using C^2S^2. This should occur as early as possible, but no later than mid-December. Pay pool manager approval at this level marks the entire record for each employee in the pay pool as ready for transfer to the DCPDS database for final processing.

Final AFMC Form 280 Printing and Distribution

When all CCS scores, compensation adjustments, and broadband movements have been completed for the pay pool, a final copy of all three parts of AFMC Form 280 should be printed and the package signed by the first and second level supervisor for each employee. This should take place by mid-December—immediately following the pay pool manager's final approvals. Part I of the form contains the employee's final CCS score and compensation adjustment information along with a scatter plot with the individual employee's point highlighted. In cases where broadband change is also a factor, that change is also indicated. Part II contains the employee's individual factor scores and the factor weights associated with his or her job category along with the first-level supervisor's supporting comments. Part III contains the employee's original contribution inputs.

A copy of the signed and completed AFMC Form 280 package should be given to the employee by the first-level supervisor at the employee counseling and feedback session discussed earlier. This package should serve as a basis for discussion of contribution to-date as well as expectations for contribution in the current CCS cycle. A copy of Parts I and II should be forwarded to the servicing Civilian Personnel Flight for their records, and the originals should be retained in the employee's AF-971 file folder.

Salary Adjustments

By mid-December, all pay pools should have completed their annual assessments, compensation adjustments and broadband change approvals. This deadline exists in order to allow sufficient time to get the C^2S^2 data converted and input into the DCPDS by the first week in January. This step must occur on time in order for adjusted salaries to become effective with the first full pay period in the new calendar year. DCPDS will generate SF-50s and make the appropriate changes in permanent salary and broadband level for Demonstration employees.

The timeliness and accuracy of the data are crucial to the success of CCS and the Demonstration itself. In the unlikely event that unforeseen circumstances prevent the C^2S^2 data upload from occurring in time to make salary adjustments effective with the first pay period of the year, those adjustments would be made retroactive so that employees are not adversely affected. Nevertheless, every effort should be made by all concerned parties to avoid having to invoke that contingency.

CCS Process Time Line

The following table summarizes the key CCS events discussed earlier. It is intended to provide supervisors and managers with a quick reference to those key events along with the timeframe for their expected completion.

Action	Timeframe
Employee Feedback/Counseling sessions	Nov/Dec
Mid-year feedback	Apr
Employees complete self-assessment	Sep
First-level supervisor completes preliminary assessments	Early Oct
First-level meeting of managers is held Employees are placed in categorical groupings by factor Numerical scores are assigned by factor Overall scores are calculated Overall assessment scores are reviewed Adjustments made to factor scores if warranted Division chief approves assessment scores	Late Oct
Pay pool mgr. reviews assessment scores assigned by divisions Assessment scores adjusted if necessary	Early Nov
Second-level meeting of managers held Pay pool mgr. approves scores from the division chiefs Pay pool mgr. completes/approves assessments on division chiefs	Mid-Nov
Compensation adjustments computed Broadband movements approved/disapproved	Late Nov
Employee Feedback/Counseling sessions for next cycle	Nov/Dec
C^2S^2 data prepared for upload to DCPDS	Late Dec
Adjusted salaries received by employees	Jan

Other Resources

The following references to additional resources are included to supplement the information contained in this handbook. Most of these resources are available for viewing or download from the Laboratory Personnel Demonstration home page at:

http://extra.afrl.af.mil/personnel-demo/index.htm

- Federal Register Notice governing the Air Force Laboratory Personnel Demonstration program, dated November, 1996.
- Lab Demo Operating Guide. A detailed and comprehensive guide to all aspects of the AF Laboratory Demonstration program.
- CCS Instruction (AFRLI 36-301). Further official guidance on conducting CCS assessments.
- Employee's Training Manual for the Air Force Laboratory Personnel Demonstration program (originally known as the "Blue Book"). This is a revision of the scripted briefing given to all Demonstration employees at implementation.
- CCS – A Step-by-Step Review. A short document containing the CCS timeline along with brief descriptions of key events in the CCS cycle.
- Alpha-Delta-Y Algorithm for Compensation Adjustments. A detailed description of the inner mathematical workings of the default compensation adjustment algorithm used in C^2S^2.
- Broadband change zones. A short briefing containing updated charts identifying each broadband change zone. These charts provide a much clearer picture of broadband change zones than the one originally published in the Federal Register.
- AFMC Form 280 Part III. Available for download in Rich Text format. This electronic facsimile of the original form provides employees with a ready-made document to record their contributions with and send to their supervisor at the conclusion of each CCS cycle.
- Guidelines for Writing Contribution Assessments. A collection of example contribution statements from the first CCS cycle with commentary.

More resources may be requested by e-mail at:

LabDemo@afrl.af.mil

Editor: Mark E. Sturgell